

# SENATE RECORD VOTE ANALYSIS

104th Congress  
1st Session

Vote No. 296

June 29, 1995, 5:51 p.m.  
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## BUDGET RESOLUTION CONFERENCE REPORT/PASSAGE

**SUBJECT:** Conference Report to Accompany the House Concurrent Budget Resolution for fiscal years 1996-2002 . .  
. H. Con. Res. 67. Agreeing to the report.

### ACTION: CONFERENCE REPORT AGREED TO, 54-46

**SYNOPSIS:** The conference report to accompany H. Con. Res. 67, the fiscal year 1996 Concurrent Budget Resolution, will reduce projected spending over 7 years to balance the budget by fiscal year (FY) 2002 without increasing taxes. Up to \$245 billion in tax cuts will be provided for family tax relief and to promote economic growth, so long as that relief will not unbalance the budget in FY 2002. Highlights include the following: the rate of growth in Medicare will be slowed to 6.4 percent; Medicaid's rate of growth will be gradually reduced to a 4 percent rate in FY 1998, at which rate it will remain; spending levels assume that the Commerce Department and approximately 180 other Federal programs, agencies, and commissions will be phased out or eliminated, that welfare and housing programs will be reformed, that agriculture, energy, and transportation subsidies will be cut, and that foreign aid will be cut; defense spending will be cut and then allowed to increase back to its 1995 level; and Social Security will not be altered.

Fiscal Year	New Budget Revenues	Authority	Outlays	Deficit
	(in billions)			
1996:	\$1,417.2	\$1,591.7	\$1,587.5	\$170.3
1997:	\$1,474.7	\$1,645.5	\$1,626.9	\$152.2
1998:	\$1,545.6	\$1,691.7	\$1,661.4	\$115.8
1999:	\$1,617.6	\$1,742.0	\$1,718.0	\$100.4
2000:	\$1,697.4	\$1,802.0	\$1,778.2	\$80.8
2001:	\$1,786.6	\$1,848.1	\$1,821.7	\$33.1

(See other side)

YEAS (54)		NAYS (46)		NOT VOTING (0)	
Republicans (54 or 100%)	Democrats (0 or 0%)	Republicans (0 or 0%)	Democrats (46 or 100%)	Republicans (0)	Democrats (0)
Abraham	Hutchison	Akaka	Inouye		
Ashcroft	Inhofe	Baucus	Johnston		
Bennett	Jeffords	Biden	Kennedy		
Bond	Kassebaum	Bingaman	Kerrey		
Brown	Kempthorne	Boxer	Kerry		
Burns	Kyl	Bradley	Kohl		
Campbell	Lott	Breaux	Lautenberg		
Chafee	Lugar	Bryan	Leahy		
Coats	Mack	Bumpers	Levin		
Cochran	McCain	Byrd	Lieberman		
Cohen	McConnell	Conrad	Mikulski		
Coverdell	Murkowski	Daschle	Moseley-Braun		
Craig	Nickles	Dodd	Moynihan		
D'Amato	Packwood	Dorgan	Murray		
DeWine	Pressler	Exon	Nunn		
Dole	Roth	Feingold	Pell		
Domenici	Santorum	Feinstein	Pryor		
Faircloth	Shelby	Ford	Reid		
Frist	Simpson	Glenn	Robb		
Gorton	Smith	Graham	Rockefeller		
Gramm	Snowe	Harkin	Sarbanes		
Grams	Specter	Heflin	Simon		
Grassley	Stevens	Hollings	Wellstone		
Gregg	Thomas				
Hatch	Thompson				
Hatfield	Thurmond				
Helms	Warner				

#### EXPLANATION OF ABSENCE:

- 1—Official Buisiness
- 2—Necessarily Absent
- 3—Illness
- 4—Other

#### SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

2002:	\$1,882.8	\$1,906.5	\$1,876.4	\$6.4(surplus)
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In addition to overall totals, budget resolutions contain totals for broad function categories. They do not indicate the amounts to be spent on specific programs, but they are based on assumptions by Members of spending levels for specific programs. Noteworthy spending reduction assumptions are detailed below.

- Approximately 180 specific agencies, programs, and spending categories will be eliminated or phased out, including the following: the Office of Personnel Management; the National Endowment for Democracy; non-Department of Defense broadcasting (except for Voice of America, Radio Marti, and Radio Free Asia); aid to European countries; the Bureau of Mines; the Interstate Commerce Commission; AMTRAK operating subsidies; highway demonstration projects; the Office of the Surgeon General; and the Davis-Bacon Act; the resolution will not assume the elimination of the Appalachian Regional Development Commission (see vote No. 188);

- The Commerce Department will be eliminated;
- discretionary spending will be cut from the CBO projected rate of spending by approximately \$190 billion over 7 years, including by consolidating numerous duplicative programs in the health, education, and welfare areas of the budget;

- Medicare spending will be allowed to increase at twice the rate of inflation, or 6.4 percent per year, for the next 7 years, instead of at the projected growth rate of over 10 percent (if the program were allowed to continue on its present expenditure path, it would be bankrupt by 2002); the 7-year savings will be \$270 billion (see vote Nos. 173-174, 207, 209, 218, and 223 for related debate);

- Medicaid will be transformed into a block grant program for a 7-year savings of \$182 billion;

- Defense spending will be reduced from \$270 billion to \$264 billion in FY 1996, and will then gradually be allowed to increase back to \$271 billion; in total, the report will restore \$33 billion of the \$150-billion-plus cut from the Congressional Budget Office (CBO) baseline that was proposed by President Clinton (see vote Nos. 180, 181, 204-205, 217, 221, and 227 for related debate);

- Foreign aid will be reduced by \$23 billion over 7 years;

- Spending on farm programs will be reduced by \$13.3 billion over 7 years;

- spending on the education, job training, employment and social services function will be reduced by approximately \$37.4 billion below the current projected \$394 billion outlay level; job training programs will be reduced by 20 percent and \$10 billion in savings will be achieved by cutting projected spending on student loan programs; the conferees agreed to disagree on whether the Department of Education will be terminated;

- a public housing block grant and an assisted housing block grant will be created;

- Welfare reform savings will total \$100 billion over 7 years, though more than \$800 billion will still be spent on the following few income assistance programs alone--Food Stamps, Aid to Families with Dependent Children, Supplemental Security Income, the Earned Income Tax Credit, and the Women, Infants, and Children program;

- the conferees agreed to disagree over whether the Department of Energy will be eliminated; and

- reserve funds will be created for tax relief and welfare reform.

Lower Taxes:

- Budget surplus allowance: Committees will be required to report their reconciliation recommendations by September 22. The chairmen of the budget committees will submit those recommendations to the CBO. The CBO will determine whether those recommendations will produce a balanced budget by 2002. If the CBO finds that they will not and that committees are unable to meet their reconciliation instructions, then the budget committees will report a reconciliation bill without tax cuts. If the CBO finds that the budget will be balanced, then the tax writing committees will have 5 days to report legislation providing for up to \$245 billion in tax relief for families and to stimulate economic growth, though not more than \$50 million of that amount will be provided in FY 2002 (the CBO has previously estimated that balancing the budget will result in a fiscal dividend of \$170 billion over 7 years, with \$50 billion of the savings occurring in FY 2002). That tax reduction legislation will be included as part of the reconciliation bill. Budget aggregates will be adjusted to prevent points of order from lying against those tax cuts. The largest component of the tax relief under consideration is a \$500 per child tax credit, 90 percent of which will benefit families with incomes under \$100,000.

It is the sense of the Senate that:

- the Federal Government should examine its functions to determine which roles should be more properly exercised by States or privatized;

- the funding totals in this resolution reflect the assumption that a uniform Federal accounting system will be adopted;

- no more than 20 percent of the required agricultural savings should come from commodities programs;

- the increased revenues resulting from the revision of the tax code to prevent millionaires from avoiding taxes by renouncing their citizenship should be used for deficit reduction;

- funds will be spent to reimburse States for the costs of implementing the National Voter Registration Act (see vote No. 192);

- a temporary, bipartisan commission on the Consumer Price Index should be formed to recommend changes;

- a bipartisan commission on the solvency of Medicare should be formed to make recommendations concerning the most appropriate response to the short-term insolvency and long-term sustainability issues facing Medicare; and

- the Essential Air Service program should continue to receive sufficient funding.

It is the sense of the Congress that:

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- tax cuts passed pursuant to this resolution will benefit working families;
  - Sallie Mae should be restructured as a private corporation;
  - the extension of the public debt limit will be set at such levels and for such duration as to ensure the budget will be balanced by 2002; and
  - the committee of jurisdiction should give high priority to reducing Medicare fraud (see vote No. 174 for related debate).
- Budget procedures:
- discretionary spending caps will be extended through fiscal year 2002;
  - a 60-vote point of order (firewall) will be reestablished against transferring funds between defense discretionary and nondefense discretionary programs through FY 1998 (see vote No. 217 for related debate);
  - expiring Budget Act enforcement 60-vote points of order will be extended through FY 2002;
  - a 60-vote point of order in the Senate will lie against considering any direct spending or receipts legislation that will increase the deficit in the first year that it is in effect, over the first five years that it is in effect, or over the subsequent five years that it is in effect;
  - proceeds from the sale of Federal assets will be counted in budget calculations (see vote No. 190);
  - a 60-vote point of order in the Senate will lie against using savings that result from the budgetary effects of a reconciliation bill to offset spending in future years; and
  - the IRS taxpayer compliance initiative will be on-budget (see vote No. 195).

**Those favoring passage contended:**

With this budget Congress will turn the corner. The budget will be brought into balance within 7 years by cutting spending. The battle against uncontrolled entitlement spending, which Congress has cowardly ducked for years, will finally be joined by this Republican Congress. The insidious expansion of the Federal Government will be brought to a screeching halt. Average working Americans will get sorely needed tax cuts so they can spend their money instead of the Federal Government. In short, this conference report will balance the budget and set forth a blueprint for making a fundamental shift in the role of the Federal Government.

In the 1960s, deficits averaged \$16 billion per year; in the 1970s, they averaged \$38 billion a year; in the 1980s, they averaged \$156 billion per year; and so far in the 1990s they have averaged \$259 billion a year. This year we will borrow 11 cents of every Federal dollar spent. Our budget deficit stands at \$175 billion, and it is growing relentlessly at the rate of \$335,000 a minute. This debt, plain and simple, is mortgaging our children's future. A child born today will have to pay an additional \$100,000 in added taxes to pay just the interest on the debt which will accumulate during the next 18 years. Our gross Federal debt is not only harmful to future generations—it is hurting every American right now. The per capita share of that \$4.9 trillion debt stands at \$18,500. The Bipartisan Concord Coalition has estimated that this burden has lowered the income of American families by an average of \$15,000 per year. According to the Federal Reserve, spending between the years 1978 and 1990 reduced gross domestic product by 5 percent.

Under President Clinton's first proposed budget (see vote No. 172), deficit spending would have continued to climb, and the per capita debt burden would have grown to \$23,700. That budget did not make the slightest attempt to control deficit spending. It literally planned on bankrupting America. In mid-June, after Republicans in both Houses of Congress ignored his recommendation and passed balanced budget plans, he unveiled a new budget plan which he claimed would balance the budget in 10 years. Republicans welcomed this change in rhetoric, but reserved judgment on the honesty of the plan until the CBO had a chance to analyze it. In waiting for a CBO analysis, Republicans were merely following President Clinton's 1993 address to the Nation in which he said Federal budgets should be evaluated solely by the CBO. That CBO analysis has now been conducted, and it has revealed that the second Clinton budget is a fraud. It will not balance the budget by 2005—instead, it will result in a \$209 billion deficit in that year, and over the next 10 years it will add over \$2 trillion to the national debt. The plan, in sum, makes only slight improvements on his first budget. Further, we believe that these supposed improvements that will "only" leave us with over \$2 trillion in new debt and annual \$200 billion deficits are gimmicks. The few modest spending cuts that are called for will almost all supposedly occur in the next century; the tax increases, though, will of course occur up front.

We have seen this type of gimmickry before. Every past proposal that would supposedly put us on a path to a balanced budget has relied on tax increases now and spending cuts in the hazy future. Every past effort has resulted in tax increases now, spending increases now, and no spending cuts when the future arrived. We will not play this game any longer. The President's proposal is not serious; it is an attempt to continue the political game that has brought our country to the brink of insolvency.

In one area, though, we must still commend the President. He proposed reducing Medicare spending by \$127 billion and Medicaid spending by \$54 billion. These two programs in particular, along with other entitlement programs, are the main causes of deficit spending. Defense spending in real terms has declined by nearly half in the past 10 years and discretionary spending has been stagnant. Entitlement spending, though, has exploded, more than consuming the savings from the defense cuts and the revenue from all the new taxes that have been imposed. Unfortunately, he has not approached the problem realistically, but at least he has tacitly recognized that reforms need to be made in this area. We say he has not approached it realistically because he has proposed most of his cuts after 2002, even though his own Administration officials have calculated that unless there is a \$387 billion adjustment

in Medicare within the next 5 years it will be bankrupt by 2002. In other words, President Clinton's timid effort to reform Medicare will not take effect until after he has allowed it to fail.

The conventional political wisdom has always been that daring to control entitlement spending would be political suicide. Congressional Democrats are still banking on that wisdom. Throughout the debate on the balanced budget they have demagogued the Medicare issue, totally ignoring the fact that their irresponsible refusal to address the problem will result in the program's bankruptcy in a few years. Perhaps the electorate may buy the Democrat's line, and punish Republicans in the ballot box. Be that as it may, Republicans will not cave in. Medicare cannot survive if its spending growth is not contained, so Republicans are willing to take the heat for reforming it.

After listening to all the fire-and-brimstone invective that Democrats have hurled on this conference report, one might well conclude that Republicans were intent on eliminating the Federal Government. This conclusion would be in error. The proposed drastic "cuts" in Medicare are only cuts in its rate of growth--the program will still grow at twice the rate of inflation. Per capita expenditures will rise from the present \$4,900 to \$6,500 in 2002. Overall, the proposed "cuts" in Federal spending will be cuts only in the rate of growth in spending--with 3 percent annual growth, Federal spending will be \$400 billion higher in 2002 than it is now. Republicans are being accused by Democrats of making heartless cuts because they had planned on spending a lot more than \$400 billion more per year by the year 2002. Though the Federal Government's spending will increase, its spending as a share of Gross Domestic Product (GDP) will decrease. In other words, the Government will not grow as fast as the economy. This change is historic--finally, the expansion of the Federal Government will be halted and even reversed.

The benefits for Americans will be enormous. According to the economic forecasting firm DRI/McGraw Hill, balancing the budget will increase America's economic output by 2.5 percent over the next 10 years, adding a minimum of 2.4 million new jobs. Further, the General Accounting Office (GAO) estimates that average family income will increase by as much as \$11,200 as a result of balancing the budget. Another benefit is that interest rates will drop by at least 1.7 percent. Thus, balancing the budget will result in more economic growth, more jobs, higher incomes, and lower interest rates.

Added to these benefits, this conference report will add \$245 billion in tax cuts. Our colleagues act as though we have proposed shutting down the Internal Revenue Service, but we are confident that Americans will not be misled into believing that the tax cut proposals that are in this budget will leave the Federal Government starved for cash. Our Democratic colleagues have insisted that the \$245 billion in tax cuts will have an enormous impact on the budget and will be meaningless to average Americans. They have it exactly backwards. Though \$245 billion may sound like a lot, it is only two-tenths of 1 percent of the total amount that the Federal Government will spend in the next 7 years. The budget impact will be negligible. Further, the CBO has informed us that balancing the budget will result in lower interest payments. In 2002, those lower payments will total \$50 billion. Therefore, of this \$245 billion in tax cuts, no more than \$50 billion will be allowed to occur in 2002. Thus, passing this tax cut will not result in an unbalanced budget. Our first priority is to balance the budget by cutting the proposed rate of growth in spending; our second priority is to provide tax relief. Frankly, we suspect our Democratic colleagues may not believe their own rhetoric when they suggest that a .02 percent decrease in Federal tax collections will negate the effects of balancing the budget.

While providing the tax cuts will not hurt efforts to balance the budget, it will prove enormously helpful to average Americans. Current levels of deficit spending are not the result of low tax rates; they are the result of high spending rates. In the 1950's, the average American family paid around 2 percent of its income in Federal taxes; now it sends more than a quarter of its income in taxes to Washington. Counting State and local taxes, the burden on the average family is currently more than 40 percent. As tax collections have increased, spending has increased even faster. Americans are reeling under the burden. In the Contract with America, House Republican candidates promised to have early consideration of certain tax cut proposals. The American people responded by giving Republicans control of the House, breaking a 50-year Democratic chokehold. This \$245 billion tax cut proposal will allow the enactment of some of those promises, including the centerpiece proposal--a \$500 per child tax credit for Americans with incomes of \$200,000 or less. Democrats have cried foul, complaining that welfare recipients will not benefit because they do not pay taxes, and that "rich" people earning more than \$100,000 per year will benefit. In response, we are not in favor of increasing welfare benefits and thus increasing dependency; we want to reward people who work. Also, though more than 90 percent of the benefits of the tax credit will go to those Americans who earn less than \$100,000, we have no objection to people who earn up to \$200,000 getting the credit. The operative word is "earn." Unlike Democrats, we do not think anyone who earns money should be forced to redistribute it to those who did not earn it. The tax code should not be set up to punish success. Democratic policies encourage failure; Republican policies encourage success.

Though the spending assumptions underlying aggregate levels and reconciliation instructions in budget resolutions are not binding, they give an accurate indication of the direction that the Government will move. Thus, we are confident that in the months to follow a fundamental shift in Federal policies will occur. Federal mandates will be lessened, as more programs will be consolidated and block-granted. The Federal role in dictating education, welfare, and other policies that the States must follow will diminish.

This budget conference report is more than a plan to balance the budget: it is a vision for America. It is a vision that Democrats believe is mean because it is a vision they cannot understand. They cannot understand a smaller Federal Government. They built the huge and intrusive government we now have because they sincerely believed that with the best of intentions they could achieve the best of results by running America from Washington. The social welfare state has grown with each failure, because each failure has

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only convinced Democrats that the failure was not due to a defect in the policy, but to a lack of enough spending.

We Republicans, on the other hand, look at results. We look at the \$5 trillion in debt, at the looming insolvency of our country, the generations ruined by dependency, the enormous tax burden that has been placed on average Americans, and the hidden tax of regulation that costs the average family \$6,000 annually, and we know that Washington clearly does not know best. We know that the Federal Government needs to be cut back, and we know that passing this conference report will be the first step.

**While favoring passage**, some Senators expressed the following reservations:

Tax cuts should not have been included in this resolution. In the past, Congress has proposed tax cuts and future spending cuts, and then has not made the spending cuts. It would have been preferable to wait until the budget was balanced before any revenue reductions were made.

**Those opposing** passage contended:

We tip our hats to our Republican colleagues—they have produced a very credible deficit reduction package. It will not really lead to a balanced budget, as they claim, but it will make substantial progress toward that goal. Of course, this step is only the first step. We still have reconciliation, we still have appropriations bills, and, of course, we still have 7 years of spending bills to go. A lot can happen over the coming years that is not planned for in this budget document, and a lot almost certainly will because the priorities in this budget conference report are so misguided, so cruel, and so out of touch with the wishes of the American people that they will not stand the test of time.

In 1993, President Clinton and congressional Democrats passed an enormous deficit reduction bill without a single Republican vote. Today, it appears that Republicans are about to pass a budget conference report without the votes of any Democratic Senators. This lack of bipartisanship is unfortunate. Balancing the budget should not be a partisan issue. The American people do not want to see all-or-nothing battles—they want cooperation between the two parties, so that a fair, compromise proposal may be forged that will be supported by a large majority of Members. Such a proposal stands the best chance of lasting and truly leading to a balanced budget.

This report is anything but a compromise report between the parties. Instead, it is a compromise between Senate Republicans and House Republicans. The Senate-passed bill was bad; the House-passed bill was a monstrosity. The all-Republican conference merely split the difference and produced a report that twists the knife on the heartless Senate-passed provisions. Instead of softening the cuts in Medicare, they were increased by \$14 billion to a total of \$270 billion. Instead of taking pity on the elderly, the disabled, and the children who rely on Medicaid for basic medical care, the Republicans instead decided to cut yet \$7 billion more, for a staggering \$182 billion cut. For rural Americans, who were already viciously assaulted in the Senate bill, the news has gotten only worse in this conference report—instead of slashing \$11.9 billion from farm programs, \$13.3 billion will be hacked away. Right down the line, the weakest and neediest Americans were asked to shoulder the burden of deficit reduction. The rich and powerful were not asked for anything.

Instead, they were given \$245 billion in tax breaks. Our Republican colleagues were not content with refusing to make the obscenely wealthy bear even a small portion of the burden by paying more in taxes, nor were they even willing to stop, as Senate Republicans were, at giving wealthy Americans all of the \$170 billion fiscal dividend that the CBO estimated would accrue from balancing the budget. They were not content until they had given away the entire fiscal dividend plus an extra \$75 billion in deficit spending to their rich cronies. Frankly, we think that this extra \$75 billion in spending will kill any chance of the budget being in balance in 2002, even using Social Security receipts. The fiscal dividend is supposed to accrue at least partially because of the lower interest payments that will come from lower debt and deficits. If we increase the debt and deficits, we will have higher interest payments and no fiscal dividend.

We will not vote to gouge health care programs, job training programs, welfare programs, education programs, the earned income tax credit, and farm programs in order to cut the deficit at the same time as we increase the deficit with such Republican goodies for the rich as a capital gains tax cut and a \$500 child tax credit for Americans earning \$200,000 per year. We will especially not approve such a plan when the result will be that we will not even have a balanced budget in 2002 using Social Security receipts. Even assuming that the Republicans get away with enacting this mean-spirited plan, the numbers simply do not add up. Our colleagues have not sought our input, and, not surprisingly, they have produced a budget that we cannot support. They will have the votes to pass their plan today, but we think we will be able to stop them when they try to pass legislation to implement it.